

## THE FALL OF GREAT NORTHERN PAPER COMPANY

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Perhaps unique among American employers because it was so remote from notice and completely surrounded by the natural resources that provided both raw material and power, Great Northern Paper Company in 1977 was the product of a century of American industrial *Zeitgeist*. Its 4,200 workers offered living proof that capitalism works and that both the employer and its people need merely to be left alone and they will indeed get it right.

**The peak of progress and production.** In 1977 GNP was still Maine's second largest private employer after Bath Iron Works. Busy sales offices took orders in Boston, New York, and as far west as Chicago, and three-martini lunches were common; I once attended one. The annual sales meeting was held in such places as Pinehurst, North Carolina and Woodstock, Vermont, and no expense was spared to make them lavish. With world-class golf tournaments and celebrity guest speakers, the affairs probably rivaled the annual sales meetings of Chrysler or GE.

Great Northern's last river drive came in 1971 and the last horse-drawn harvesting about the same year. By the end of that same decade, computer terminals were sprouting throughout the cavernous mill, and yet the place was alive with clanging metal and hissing steam redolent of hot lignin, workers bustling to keep up with production or occasionally relaxing deservedly. The constant noise had given rise to communication that was a combination of sign language, flashlight signals, and hieroglyphs on log sheets.

There had been speed bumps in the industry's headlong expansion in the 1970s, notably the energy crisis of 1973 and the first rumblings of the Indian land claims in 1975. But the times were very, very good and optimism was high.

At the mills in Millinocket and East Millinocket, the annual Foreman's Picnic was a feast fitting a medieval castle. The foremen filled their trays with steamed clams and lobsters – no one was restricted to just one or two – or they feasted on slabs of steak and chicken breasts. Gallons of potato salad, barrels of chips, huge dill pickles, and kegs and kegs of beer made the picnics "complete." These affairs were catered by Donat Busque, a fixture in Millinocket's hospitality scene whose thick French lilt, jovial persona, and intense work ethic made him the ever-popular choice for catered events.

Blue after-dinner cigar smoke skewed the smiles of the locals as they bragged to the visiting salesmen about the fishing at Soddy Hunk or the new Polaris that the kids wrecked or the tournament that Stearns almost won again that year. The foremen and managers played half-serious softball, sales versus manufacturing. Until Peter Moir, a naturally-gifted local athlete, joined the company to help the mill team, sales had been on top in these contests. If you didn't play softball, you could test your skill at horseshoes against Frannie McMahon, a reigning state champ and Finishing Foreman at Millinocket.

Paper coming from the Maine mills was the highest grade in the east, if not in the entire country, and this wasn't just the opinion of local pride, but also the opinion of the customers. Telephone directories up and down the east coast were printed predominately on GNP paper, and directory paper from Millinocket was preferred in Indonesia, Australia, and Latin America. Big city newspapers such as the *New York Times*, *Newsday*, and later *USA Today*, preferred GNP's product for their front pages, as did many papers in Maine, large and small. School workbooks snapped up Millinocket's Baxter Text coated product. GNP research helped Moore Business Forms develop the first carbonless multi-form paper, and Moore bought out the production of one or two paper machines a year.

Great Northern Paper Company had bought Great Southern Paper in 1963. In 1970 GNP merged with Nekoosa-Edwards Paper to form Great Northern Nekoosa Corporation. GNP, meaning just the mills in Millinocket and

East Millinocket, remained the single largest division within GNN, and in 1979 GNN was number 259 on *Fortune's* list of the 500 largest companies in the USA.

In the late 1970s, groundwood printing paper, (paper made from stone-ground softwood pulp) was selling for \$350 or so a ton, coated paper for upwards of \$500. The starting wage at the mills for an entry-level temporary summer laborer was \$5.15, which, by September, 1977, rose to \$5.61. Millinocket was believed to have, if it did not have in truth, the highest per capita income of any town in the state. With 2.1 million acres, (3,281 square miles or almost 100 townships – an area the size of Puerto Rico), GNN was land-rich and water-rich, which was especially awe-inspiring once you had taken a few days to drive the Golden Road system.

**Joining the team.** In May, 1977, I was hired onto “the window” at the Millinocket mill. “The window” was a colloquialism that denoted the glassed-in aperture between the Personnel Office and the time clock hallway. I had a new Bachelor’s Degree from the University of Maine’s School of Forest Resources and a pretty and very smart local girl for a wife. Beth, now my partner of 30 years, was also a UMO graduate, and we had married while we were both still in college. I was a veteran, had a naïve faith in the future, and thought the \$12,000 or so I could make in a year, year after year, as a laborer was grand money. I had no intention of using my degree to become a game warden or state biologist – only the girls in my graduating class were getting those jobs. But it suited me to settle in the most splendid wilderness east of the Mississippi and slip comfortably into a manufacturing career. That was especially odd since, on a visit to the Rumford mill nine years earlier, during my junior year at Farmington High School, I recall remarking: “Thank God I’ll never have to work in a place like this.”

I was oblivious to my outsider status in Millinocket, and my oblivion seemed more to disarm my fellow workers than incite them. I was also Number 328 on “the window,” which meant that in order to get a full week’s work I had to let 319 men and eight women choose their temporary or seasonal assignments ahead of me. I was no particular threat to the locals anyway, because the tradition still held true that any kid could graduate Stearns High School one day and go sign on at the mill the next. A future of union-protected, lifelong, lucrative employment was an unquestioned certainty. Nevertheless, even though I was near the bottom of the pecking order, throughout that summer I had a 40-hour week every week but no overtime.

I started on the pond in the wood yard that May, working nights, keeping the sluiceway clear so that four-foot logs or “bolts” could float into the wood room where the bark was removed in giant slotted tumblers – horizontal drums that could each hold a railcar load of bolts. During the first few weeks as a laborer I managed to work my way into the wood room and onto the apron, a moving belt where logs that had been through the de-barking drums once were eyeballed for imperfections by workers armed with picaroons who picked them off by hand to be sent back if the first pass through the drums hadn’t stripped them adequately.

I soon made my way into the grinder room, where the stripped logs from the wood room emptied from an overhead sluiceway into an indoor pond, the “block tank.” Using a 12-foot long pick pole, I “poled wood” as one of two laborers each shift assigned to break up the pile in the block tank and keep the logs floating into another maze of sluiceways. Eventually I graduated to “feeding grinders.” Every four-foot bolt that was converted into 850,000 tons of paper a year, at the rate of roughly a cord of wood to a ton of paper, was pulled from a sluice and into a grinder “pocket” by hand.

**Power generation.** Back in the early 1900s Great Northern Paper had invented the stone grinders of the sort that I was feeding pulpwood to that summer. Thirty of these massive grindstones, six feet in diameter and close to ten feet long, with their molded-Carborundum segments, operated simultaneously on six grinder lines. The grinder lines were driven by water flowing underneath the floor in ten-foot-diameter penstocks, underground pipes that funneled the water from Ferguson Pond at the top of the ridge in its 114-foot drop to the grinder room at the edge of Millinocket Stream. The mill in Millinocket was built on this site precisely to take advantage of the water power generated by that steep drop.

But there wasn’t a significant watercourse, underground or above, leading to the grinder room until the West Branch of the Penobscot River had been dammed at the outlet of Ferguson Pond, just behind the mill, and the

pond raised enough to spill over where the penstocks had been placed to concentrate the flow. But all that was accomplished between 1898 and 1901, and had been so well designed and built that it still generates power today, although the grinders have long since been scrapped.

In order to turn 30 grindstones, the harnessed water drove six water wheels which could be used either to generate electrical power, when a grinder line was out of service, for maintenance for example, or could serve as electric motors to assist the grinding process when the pressure to produce pulp exceeded the ability of hydropower alone to drive the grinders.

The ability to generate hydro-electric power was one more of Great Northern's awesome attributes in 1977. Within the company's 3,281 square miles stood 19 dams: 13 storage dams and six hydro-electric dams. At one time GNP's was the nation's largest industrial hydro-electric system, producing enough power to electrify a city of 450,000 or, comparably, almost half the homes in Maine. At times this power, along with that generated in several boilers at the two mills, was more than enough to make paper, and so power was sold into the public power grid. At other times the company purchased power from the public grid. Various GNP boilers burned oil, spent liquor, a by-product of the sulfite pulping process, and, by 1980, bark with a moisture content of up to 60%. The bark boiler alone drew down 1,400 tons a day from the company's ancient bark piles and reduced oil consumption by over 400,000 barrels a year.

Altogether in the two mills in 1977, this power system ran 17 paper machines and an off-machine coater. It also ran the old paper machine that produced heavy brown wrap and all the ancillary equipment involved in the process: saws, chippers, belts, sulfite cookers, pulp screeners, refiners, finishing machines, machine shops, cranes, lights, and heat for the hundreds of acres of indoor manufacturing space. By this point too, Great Northern also owned Pinkham Lumber Company in Nashville Plantation, a technologically advanced operation that, in addition to making dimension lumber, provided bulk wood chips for the sulfite pulping process at Millinocket.

**Making paper.** Later that summer, although still a seasonal employee, I applied for and was tentatively accepted into the papermaker apprentice program at the Millinocket mill. I hadn't officially begun my training, but I was advanced into vacation replacement openings in the paper room. For at least a couple of months then, while working all shifts, I learned the rudiments of running the winders, setting slitters, chucking cores, pushing rolls, stenciling roll numbers and roll sizes, putting up splices, changing felts, and restarting the paper machines. I worked on every winder in the Millinocket mill except Numbers 2, 5, 11, and the Coater. I was eager to learn it, and Wiggie Robinson, a paper room foreman before he became a radio personality, was eager to teach it.

All this seemed so... so secure, back in 1977: so secure that, when a certain office took notice of my college degree – not its subject but merely the existence of the degree – and offered me a position as Assistant Sales-Production Coordinator (communicating the production schedules to the paper machine crews), I accepted and started a 23-year paper industry career.

**Settling down.** In 1978 my wife and I and our year-old daughter were ready to own a house. I went to see Fred Morrison, Great Northern's Manager of Townsite, and asked for, oh, thirty or forty acres of their less-desirable forest land somewhere outside of town. Actually, I told him, the Rice Farm property suited me just fine – the present site of the New England Outdoor Center and the River Drivers Restaurant. Perhaps because my request was so absurd, Fred called me within a few days and offered me the last available empty house lot in Millinocket. (After we signed for that lot, prospective new-home builders had to wait until land was opened up on Morgan Lane in Millinocket or Wilderness Drive in Medway several years later.)

New concept, is it? Yes, Great Northern owned every grain of soil and every last tree trunk surrounding Millinocket. So when the town needed to expand to accommodate more residents – generally meaning more company employees – the company laid out a couple of streets at a time, marked out some quarter-acre lots in the manner that fitted the concept of house lots according to the company's Connecticut-based owners, and sold those lots, with significant deed restrictions to assure an affluent-looking neighborhood.

Our last-lot luck, which cost us \$2,500, permitted us to add a three-bedroom single-story modular home for an additional \$35,000. We lived in our modest little house at 50 Heritage Street for 11 years, then bought Beth's parents' house when her father, a mechanical engineer, retired after 29 years with the company. We sold the house on Heritage Street for something over \$60,000 and handled the deal ourselves.

It was after I joined the management team in the fall of 1977 that I began to enjoy the experience of attending foremen's picnics and annual sales meetings. Within a few months of assuming the position of assistant to the production coordinator, he moved on to another opening, I slid into his job, and hired myself an assistant.

Although it occupied an office in the Millinocket mill, this function was under the Sales Department, whose VP and administrative team occupied offices in the GNN headquarters in Stamford, Connecticut. Since my boss needed to see me occasionally and didn't make frequent trips to the mills, I was ordered to make a monthly visit to the Stamford office. Scheduling the paper machines was in the hands of Ed Gardner, Dennis Danie, and Carmen Quinones, a team of math geniuses in Stamford supervised by the insufferable Warren Spearin, a native of Mattawamkeag who could be forgiven for his tortured attempt to adapt to life in the city. He was, in fact, the best teacher of business that I ever had.

**What went wrong.** Where did it go wrong? What interrupted this idyll? Why is Katahdin Paper barely an echo of what GNP had been a quarter century ago?

The nightmare began almost as soon as I had settled in Millinocket. While it is likely that none of these disheartening problems alone would have brought the company down, and it is impossible as well to ascribe degrees of blame, over the course of the next decade Great Northern – and the industry – was ravaged by labor unrest, the Indian land claim, the spruce budworm, the Big 'A' project, workers' comp, and a simple tax law change. Once Great Northern began to bleed and squirm and to appear vulnerable under the assault, the environmentalists smelled opportunity and moved in like hyenas to prowl the perimeter and lunge at the company's wounds. The *coups de grâce*, for they were several, were the corporate takeovers, each one diminishing Great Northern with indifference, like a log against a grindstone.

Great Northern, though, wasn't the only victim of the decade's bad laws and predatory do-gooders. For as the mills shriveled, various appendages did also or fell off altogether: the Bangor and Aroostook Railroad, the Millinocket Foundry, suppliers of paper machine parts and fabrics (does anyone remember the Knox Woolen Mill?), construction contractors and the laborers they hired, Black Clawson and Beloit, the makers and suppliers of wood harvesting machines and the harvesters who ran them, the local small businesses throughout northern Penobscot County where company trucks stopped almost daily to pick up anything from gas cans to sandwiches, the school systems. Real estate in the Millinockets is now so cheap that out-of-staters are astonished.

**The strike.** Through the 1970s-1990s there were 14 union locals between the two mills, one representing office workers, one for guards, eight locals representing tradesmen, two UPIU locals for pulp and sulfite workers, and two UPIU locals for papermakers. A single labor agreement covered the latter twelve locals until 1978. That summer, when the company offered the tradesmen a 22.2% pay increase over the next two years, the eight trades locals insisted that that was not enough. The papermakers had been offered something different, and the trades wanted "parity." They also insisted that their eight locals trumped the UPIU's four, so the UPIU was outvoted. The UPIU, with a vast advantage in members, took a one-man-one-vote stance. The NLRB and federal courts refused to intervene, and federal and state mediators along with Governor Brennan failed to resolve the stalemate.

After nearly two months the trades capitulated and formed a separate bargaining unit. The bitterness between the factions continues to this day. The strike had forced all the company's customers, worst of all its big customers like Bell-Atlantic and JC Penney, to suddenly find new sources of paper and quickly. The quiet summer off was a nice vacation for the wealthiest community in the state. The wealth, however, never returned.

**Indian Land Claims.** In July, 1979, *Fortune* published an article on the very complicated claim by the Penobscot and the Passamaquoddy tribes that had by then gone before a federal court. The Indians were convinced that the eastern states, which had been dealing with the tribes on a state-by-state basis for nearly two hundred years, had been doing so in violation of the federal Non-intercourse Act of 1790. In the west, which in 1790 meant Tennessee, the federal government handled all official dealings with the Indians. One federal court in 1975 had already agreed with them. The *Fortune* article explained that if that earlier ruling were upheld in appeal, then timberlands in Maine far in excess of Great Northern's holdings could not just potentially but realistically revert to the tribes. While the land claims had rumbled in the background for a few years already, this published article emphasized the threat where it could hurt the parent corporation the most, in financial circles. Great Northern Nekoosa was already disenchanted with its Maine mills due to the strike, so what had been benign neglect of the GNP division up to then was eventually perceived locally as almost open animosity.

**Budworm and blow-down.** A little brown moth, or more accurately, billions of their caterpillars, have been a cyclical nuisance in the northern coniferous forests indefinitely. When its cycle seriously threatened the steady supply of pulpwood to the mills in 1980, it had to be dealt with. The roar of crop-dusters taking off from the Millinocket airport starting at 4:30 most morning, for weeks that spring and summer, was dramatic and briefly very expensive, but not of huge economic impact to GNP. The previous summer a forest fire had consumed 3,500 acres at Abol, partly in and partly outside of Baxter State Park. Sparked by lightning in a blow-down, it was nonetheless indicative of what could happen to a stand of forest similarly killed by the budworm, and it had to be prevented.

The company had been battered by its own employees, then the Indians in the federal courts, and now nature was in on the act – this at a time when southern Maine was assuming the character of spillover from Massachusetts and was awakening to the nastiness of such agents as Sevin-4-Oil (Carbaryl) and Malathion. It is nasty, too, which is why it was used, but it is also only briefly effective. *Bacillus thuringiensis* was also sprayed on the budworm with gratifying effect, but obtaining BT, a natural agent, in sufficient quantities was a challenge. Nevertheless, in that part of the state, “spray” was becoming a four-letter word, and the death of a few million trees was an acceptable sacrifice to people who lived a good 200 miles from the center of any potential forest fire.

The alternative, to reduce budworm devastation without spraying, would have been to cut some of every acre every year, a practical impossibility and also forbidden by other environmental regulations.

**Dark days.** By 1980, while I was still in the role of Sales-Production Coordinator, my staff of Phillipa Morrison, Andy Brunette, and I began to notice the atmosphere of looming austerity. I have kept a *Bangor Daily News* clipping from June, 1980, quoting GNP President Peter Yacavone's prediction of “dark days ahead” for the company. What did he know and why did he give such a melancholy picture to the newspaper?

The unions were quick to accuse the company of fabricated gloom-and-doom predictions whenever contract talks were at hand. Contracts were renegotiated every two years during that period, and 1980 was a contract year. So the easy answer for Mr. Yacavone's news release was that the company merely wanted to paint a bleak financial future in order to depress the unions' wage demands in the wake of the strike.

By 1980 it was widely perceived in Millinocket and East that for years GNN had been soaking the highly-productive Maine mills for profits and diverting those profits to the purchase of new equipment elsewhere, including the new “Challenger” paper machine at its Ashdown, Arkansas mill and the construction of an entirely new pulp mill at Leaf River, Mississippi. That sort of corporate spending could not have happened without the cash generated by the Maine mills.

**Big Ambejackmockamus.** Phyllis Austin reported in the *Maine Times* in September 1977 that “Wayne Hockmeyer of Rockwood, who owns Northern Whitewater Expeditions, Inc., has formed the Society to Protect the Kennebec and the Penobscot Rivers.” Austin's article alluded to a project already being studied by Great Northern that would flood Ripogenus Gorge “from Ripogenus Dam to Nesowadnahunk Falls,” but presumably worse, “would put [Hockmeyer's] raft expedition out of business.”

With the successful negotiation of new labor agreements in 1980 and a settlement to the Indian land claims that same year, GNN apparently softened and allowed engineers at Great Northern Paper to begin a serious study of building a hydro-electric dam at Big 'A' - just below Little Ambejackmockamus and just over four miles below Ripogenus Dam. *Bangor Daily News* environmental writer David Platt reported on this in a January 1982 article, where he noted that such a dam would produce 223-233 million kilowatt-hours of electricity and "would silence significant rapids on the West Branch."

The company estimated the cost of building the dam at \$96 million in 1982 money, but there is no perspective to that figure until one considers that the impetus was the energy crisis of just a few years before. The company felt environmentally responsible to propose its best prospect for alternative, clean energy. Since the application to build the dam, filed with the state in 1984, cost \$7 million to put together, one can also imagine what a start toward building the dam could have been achieved either by putting that money to construction instead or by using the boxes of data included in the application as landfill at the bottom of the river to be covered with concrete.

The Big 'A' is where Brownie Carson, who in 1984 took over as tsar of the official-sounding, Augusta-based Natural Resources Council of Maine, fought his biggest battle to date on behalf of his limited public, and perhaps his biggest battle ever, against big industry in the state. Carson has reigned over Maine environmentalists ever since.

The battle was on for much of the 1980s. Brownie Carson, a gifted fund-raiser and talented organizer, was effective in bringing together true believers from many far-flung organizations and other parts of the country to oppose Great Northern's wanton, inconsiderate, profit-motivated abuse of the people's river.

The rapids from Ripogenus Dam to Big Ambejackmockamus are beautiful, and the dam would have flooded the gorge, but the 857-acre lake planned as a result had recreational advantages as well. So the company fought back, but it was a war of words, and the company's engineering voices were no match for the shrill and the indignant. Inevitably, politicians could see the company's mouths moving but could only hear the factions of the opposition, who were continually reinforced by fresh, passionate recruits.

An environmental impact study was ordered. Environmental mitigation plans were then ordered. A table in the hallway of the Millinocket town office began to fill up with thick three-ring binders containing the public copy of these studies - volumes upon volumes in addition to the initial application. I once looked at that table in awe, wondering what was being gained by this production of documents - and wondering as well how on earth I, minor minion of the company and humble citizen of Millinocket, could become rationally informed about the arguments. I contemplated facetiously asking for a six-month leave of absence in order to read the 31,000 pages of official drivel.

But one must choose sides without being so informed. In 1985, public hearings began in Millinocket. As Paul McCann noted in his chronicle of Great Northern, *Timber!*: "[u]nion leaders Bob Bernier, Leroy Michaud, and Jim Mingo traveled the state to enlist support of union members." Town residents and mill workers filled the hearings in support of the project. The company brought in biologists who assured that the salmon population as well as the salmon fishing would not be harmed. According to Paul McCann: "Recreation specialists... said that a profitable and popular [whitewater rafting] trip could be developed downstream." The opposition presented testimony from its own experts which, although sometimes refuted, was applauded in the *Bangor Daily* and other news media, which had their own agenda and also had control of the flow of information to the public.

LURC attached one more condition to the application that, it is generally conceded, killed the project: no job losses. It's not that Great Northern wanted to reduce manpower. It's just that no company can sensibly say one year that operations will not change over time. Sure, no job losses were anticipated from the construction of Big 'A.' In fact, the project would have permitted GNN to consider other capital projects that could increase

production and jobs. But if business decisions were made later – and how much later? – that resulted in job losses, how would the company prove that the dam hadn't contributed in some way?

When GNN took its lawyers and left the state after arriving at an impasse over Big 'A' – it wasn't really shot down, it was simply impeded to death – GNN's ultimate abandonment of Maine was plain to see. Dick Noyes, a GNP engineering manager heavily invested in the project, had attended a couple of the hearings and realized that some faces in the crowd were acquaintances from other paper companies, making him realize that the whole industry was watching. Noyes called the defeat of the Big 'A' plan the keystone event in the demise of the company.

**A simple tax ruling.** As Sales-Production Coordinator in the early 1980s I saw another sinister twist in affairs. After the strike of 1978, customers who returned to us nevertheless adopted two behaviors – one that seemed positive and one that was irksome but forgivable. First, they ordered large quantities ahead, on the off-chance that another strike would come in 1982 or 1984, one would suppose; but the advance orders were welcome. Second, even though they came back, they only partly came back, and they stayed with other sources as well, whom they had cultivated while GNP's production was down.

Add to this an innocent-seeming ruling by the IRS in the early 1980s – after all, such rulings are merely meant to bring our laws more closely in line with the Constitution, which benefits everyone. This ruling forced manufacturers, which included printing companies, to pay a tax on any unused inventory at the end of the tax year. Big customers like Bell, or the big contractors who did some of their printing, like RR Donnelley, cancelled orders that in years past would have left them with a three-month supply of paper at year's end.

As printing companies reached the ends of their inventories, GNP's sales reps, who were notorious for scribbling indecipherable orders on cocktail napkins or the backs of business cards and submitting them on Friday afternoons, continued to do so but began to add: "for Monday shipment." Customers were storing paper "on the machines," as it came to be known. I was running to the paper machines on Friday afternoons with changes in roll sizes and sudden changes in the grade or color of an order and adding that it had to be shipped in 80 trucks beginning Sunday night. Then I was calling Larry Willinski in the Transportation Department to get Cole's Express and whoever else he could wrangle to start getting the trucks in there over the weekend.

We only barely understood what was happening at the time, how one ill wind was compounding another. But the ill winds were mere stinkers compared to what came next.

**Workers' comp.** In 1983, in the name of working people everywhere, Maine made its own single greatest contribution to the decline of GNP: The firm of McTeague, Higbee, Libner, *et al* in Topsham succeeded in getting substantial changes in Maine's workers' compensation law through the legislature and signed by Governor Brennan. Then the firm was fortunate to see one of its own partners, Jim Tierney, appointed Attorney General for Maine. So the law firm that drafted the legislation, which took effect in 1984, was furthermore influential in enforcing the new act and was also poised to represent a new wave of injured workers seeking redress under the new improved benefits for injured workers.

Such a sweeping change in the law had to be justified somehow. I wasn't present in the halls of the State House to hear the arguments in its favor, but I suspect that workplace deaths weren't at the root of it. During an office remodeling project at the Millinocket mill about 1985, I found some accident reports from the late 1950s. Remarkably, the standard form at the time had a column at the far right for fatalities, and the year-end summary for 1958 showed a total of 12. That column had been deleted in the intervening years, and the last work-related fatality of a Great Northern employee had occurred a couple of years before I came to work there. That is, if you don't count the car-pool member who was having chest pain on his way to work one morning and then died as soon as he hit the locker room, or a couple more like that, which were ruled work-related and compensable as such under McTeague's 1984 Workers' Compensation Act.

The lawyers of the McTeague firm set up a makeshift office in Millinocket and began luring customers. It paid off big for them. By the mid-1980s Great Northern, self-insured for workers' comp, would be shelling out or

reserving \$11 million a year for medicals and indemnity, mostly indemnity (lost time), and Patrick McTeague and a couple of his henchmen were the beneficiaries of roughly a third of that money. GNP, isolated as it was in the forest, was like a lost reef in the ocean populated with docile fish and recently discovered by a trio of marauding sharks.

They came and they fed. GNP management was incredulous at the hostility of the 1982 revisions and then the even-more-insidious 1984 act. Employees who had little ambition in the first place began to see quarter-million-dollar settlements, or promises thereof, if they would merely fake it long enough that the company would pay to get rid of them.

In mid-1984, then, my career took a turn. A position in Human Resources had opened up when an HR rep, Ken Legins, was appointed Manager of Workers' Compensation. I took his place in HR, documenting absences and administering (at first) minor provisions of the labor agreements – four of them to cover the 14 locals. The relatively small OPEIU (office workers) group consumed as much HR effort as either the huge papermakers or trades bargaining unit. But I was soon up to my snorkel in all of them.

I was also right-hand man to Ken, who needed data, lots of it, and fast. Ken, a mere barracuda on the reef, was aggressive and determined to battle the sharks. He took them on with an innocent audacity that must have startled even Pat McTeague. It was a fun time to be in HR.

It was interesting, although not fun, to encounter the injured workers who had been coached into total disability in the 1980s. And here it will suffice to mention but a few cases that represent dozens more like them.

There was the papermaker in his late 20s who sustained a back injury. He went directly from the mill to the hospital, where his blood work showed the presence of cocaine. This report became part of the employer's workers' comp medical record, and the matter went before a commissioner. The fact that he was demonstrably under the influence of an illegal drug while on the job had no influence on the commissioner's decision regarding the compensability of his case. Nor could the company use the information in a disciplinary action, because the employee was not tested for cause. He took his total disability settlement and started a business near the coast where he then proceeded to... work. His wife, meanwhile, also a laborer in the Millinocket mill, threw down her picaroon in the wood room one day and declared: "This job sucks. I'm going on comp!"

There was the pleasant young guy who left work on his motorcycle one day and rode it the wrong way in the parking lot, colliding with an oncoming car. His disability wasn't total, but his permanent light duty made him the envy of other wannabes. In another motor vehicle accident, a Great Northern truck driver sustained minor injuries, but the workup for that accident disclosed that he had a leukemia. He recovered quickly enough from the accident, but he never returned to work due to the medical condition, and GNP paid workers' comp benefits for the state's only recorded case of work-related leukemia. This was an honest worker who would have accepted a separation of the two matters but was coached to accept all the law would afford him.

The company's response to such an attack under the law was to use its only legal weapon and to controvert almost all workers' comp claims. For me, where I dealt with the individuals involved and could distinguish between the real and the steal, it was disturbing that the real claimants were denied as well. Almost everything went to hearings, unless the employee simply gave up and became permanently soured at the company over it.

**The announcement.** In spite of the several blows that had pummeled Great Northern in the six or seven short years following the strike, the state, both its government and its populace, still had the perception that Great Northern was the quintessential success story, still rolling in the dough. The agony was all within the company, acutely felt in management, and not yet well understood or deeply felt on the street or on the production line. Generous wage packages still came out of negotiations. No one was being laid off.

Then, on a bleak January day in 1986, Bob Bartlett, president of Great Northern Paper, invited all employees to one of several sessions at the Stearns High School auditorium, where he would make an announcement. There would be, he told us, a re-structuring of the company that would result in the elimination of 1,200 to 1,400 jobs.

As a human resources assistant with a year's experience administering labor agreements, I immediately saw my future with the company: handling layoffs and grievances. I was among some good players, though, with HR manager Dennis Corson, safety supervisor Lin Davis, and mill nurse Rick Grunthaler. And thus we were occupied for the next several years.

The manpower reductions were to take place as much as possible by attrition and enhanced retirement offerings. The company also asked the unions for an early return to the negotiating table, because a massive reduction such as this had collective bargaining implications and, what's more, if the unions wanted to forestall complete disaster, then they'd best come listen to some new concepts called team manning, multicraft, and cooperative work.

Those concepts were indeed accepted, eventually and grudgingly, by the unions, and not with the illusion that they would make the company Great again. Money was poured into incentives to retire, for those who had the magic combination of age and years of service. I remember finishing foreman Bob Morrison who missed it by a month and who wept. Hundreds of others, though, took advantage of it in 1986 and 1987, (and then again in 1994).

The work force did shrink to about 2,800 within a year, then further still, until it reached 1,700 or fewer by the time I left in 1999. Paper machines were shut down and whole "rooms" – spaces within the mills big enough to hide battleships – fell silent. People were laid off, especially as whole departments were shut down. Bumping rights were limited but did permit a junior worker from one department, once RIFed from that department, to bump into another department. Quite a few capable workers who didn't want to wait around to see when their RIF would come simply pulled up stakes and went to work in other mills elsewhere. As this happened, ironic as it was, I found myself calling those just laid off to come back to work. Each summer for the next several years, the temporary summer help consisted not of recent high school graduates and college students, as I had been, but those who had recently been "permanently" laid off.

Tempers flared and blame was cast and managers were shuffled around. The effects of the 1984 workers' compact were still fresh at the time of the January 1986 announcement, so people on restricted duty or disability due to injuries were offered settlements to get them off the rolls, allowing able workers to stay.

The "three-legged stool" of team manning, multicraft, and cooperative work, while ratified by the unions, was not well understood, so grievance poured in, not only due to the layoffs but because the wrong department had sent a man to patch a hole in the pavement somewhere – never mind that the hole had been patched by someone from the same local that generated the grievance.

Because the company was under siege from all these compounding elements, so too were the area towns. The schools threatened to cut back, and they did. Town services went through comparable reductions. As production was reduced, so was the need for the railroad's services, and on it went.

From the mid-1980s to the end of the next decade, I had job security and ever more responsibility as others in human resources management left without being replaced. But I also questioned the wisdom of staying with it. The attraction of the surrounding wilderness, our family compound on Ambajesus Lake, our children in school, and the dogged determination not to be forced out of Maine all conspired to keep me in place.

And in spite of the company's death throes, I never went longer than 15 months without an increase in pay. If nothing else held someone there, the "golden handcuffs" did. But those of us still handcuffed began to hear from those who had been laid off: "There's life after Great Northern."

**Environmentalists.** In spite of his criticism of the Big 'A' project and his assumption of proprietary rights over the West Branch, Wayne Hockmeyer struck a deal with Great Northern that allowed him to set up a campground near the river. He had some business sense and gained the cautious respect of GNP leadership while negotiating a minimum release of water from Ripogenus Dam throughout the rafting season so that

rafting trips wouldn't be cancelled for a dry creek bed in July, as would be the case under natural conditions, natural meaning no dam at Rip in the first place.

Hockmeyer never satisfactorily explained for me how it was environmentally friendly for 30,000 rafters each summer (his estimate) to leave their bodily waste along the riverbank in volumes that the poor river had never been expected to absorb before the protectors of it came to christen it in droves.

Big 'A' expert Brownie Carson had the audacity to solicit funds in Millinocket for the Natural Resources Council. But he made it sound as though the NRC was an under-funded branch of state government. I know; I received loads of solicitations from him. I made sure that I understood correctly, because anyone who didn't check would have assumed what he wanted them to about it.

Even though blow-downs, "Mother Nature's clearcuts," met with little environmentalist protest or insistence on preventive measures, cutting practices elsewhere, to which GNP did not subscribe, shamed the company into doubling its team of foresters to 40 between 1975 and 1980. Once again, emotional appeals trumped forestry in the managing of the resource, and the definition of a clearcut became ever more restrictive in harvesting regulations.

GNP's pulping processes did not produce dioxin as a by-product, but naturally occurring dioxin became evidence enough for some keepers of the drumbeat. One GNP study demonstrated that more dioxin occurred above the Millinocket mill than below it, but the report was decried as a lie and demands that GNP account for its dioxin releases continued until I left there.

Environmentalists of less distinct identity were at the root of the company's urgency to reduce dependence on high-sulfur fuel oil for its boilers, a noble enough recommendation, never mind that domestic supplies tend toward a higher sulfur content. Low-sulfur oil is typically imported, but the company was equally pressured to reduce dependence on foreign oil. Go figure.

One of the earliest environmentalist hazards the company had to deal with was LURC. Created by the Maine Legislature in 1971 to serve as the planning and zoning authority for the state's townships, plantations, and unorganized areas, the Land Use Regulation Commission has regulatory jurisdiction over land use in these areas either because they have no form of local government or decline to administer land use controls. But these are precisely the land areas that constituted Great Northern's 2.1 million acres. So the company had to hold the Commission in due respect and pray that its membership didn't tilt too steeply toward the tree-huggers. LURC's regional officials do take their don't-move-that-rock mandate seriously, and while their overall nuisance level was considerable, LURC was "manageable."

Great Northern's - and Maine's - most insidious outside enemy was and remains the well-heeled and zealous organization, RESTORE: The North Woods. Started in Massachusetts in 1992, RESTORE almost immediately laid claim to Maine as if refusing to accept the state's separate identity since 1820. In 1994, RESTORE distributed a glossy brochure arrogantly proclaiming that Maine, (or "The North Woods," to remove any disturbing implication that Maine might have a say), was about to become a national park. That brochure has an appeal that even I almost can't resist.

But wait! As Millinocket school teacher Dave Dickey once proposed, why not RESTORE: Boston! Maybe future generations should enjoy an authentic urban experience of the 1990s, and wouldn't it be ideal to declare half of Boston off limits to any further development for the greater good of those a few hundred years from now who will otherwise never know what a cramped, dingy city looked like! Of course, RESTORE: Boston should be based in Benedicta, Maine, for the convenience of those who know the most about authentic Boston.

I lived part of each summer on Porter Lake in New Vineyard from the early 1950s until I graduated from Farmington High School in 1969. I have a degree in wildlife management, University of Maine. My undergraduate major was the science of ecology, (as opposed to the politics of ecology, which has everything to do with emotion and little to do with science). I lived in Millinocket for 23 years and for the past five have been

in Lincoln. I know these woods and I know the Great Northern that took all the grief for its supposed rape of the forest, fouling of the air, and corrupting of the waterways.

The sheer hubris of the environmentalist elite is breathtaking. RESTORE has been the example to emulate for the last ten years. These are people who want to save Maine from itself and wrest the land from the best stewards it ever had or will have. (Was that an editorial?) If I join the NRA or start a rod and gun club, it will be chiefly to irritate the irrational interlopers who ought to be picking up the trash along the Amtrak routes in their own state instead of pooping along the pristine rivers of Maine.

**Takeovers.** If there's a factor that did not have as much influence on the demise of Great Northern Paper as is presumed, it would be the corporate takeovers. Great Northern Nekoosa had poured big bucks into the Millinocket mill in 1972 to build #11, but ever after almost neglected the Maine mills for the duration of the 1970s and 1980s. Yes, there was money for the Big 'A' study and GNN funded the 1985 rebuild of the two large paper machines at East Millinocket, but nothing on the scale of #11 ever came again. GNP simply failed to compete with other GNN projects for capital, in large part due to the influence of non-Maine senior managers and directors such as corporate president Bill Laidig.

GNN had its crown jewels in Ashdown, Arkansas and Leaf River, Mississippi. These were the elements that attracted Georgia-Pacific and resulted in its purchase of the entire GNN in 1990. But G-P wasn't interested in the Maine mills either. So by the end of 1991 a buyer had been found for just the old GNP, and on the first of January 1992 it became Great Northern Paper, a division of Bowater, Incorporated.

At this and each subsequent takeover there were debates and lawyered agreements about who would assume GNP's persistent debt, the buyer or the seller. Georgia-Pacific may have overlooked some of that load, like retiree income benefits and cost of retiree health coverage, liability for tort, unresolved grievance settlements, and liability for clean-up of PCBs or other hazards not previously discovered or not previously known as hazards.

Bowater seemed genuinely interested in developing the productive capacity of the mills, but they also sent people to spend the first year studying the work force. Apparently they didn't like what they saw. It was my impression then that the trauma of the 1980s had created an obvious intransigence in those left behind. I believe we were, frankly, unmanageable. Nevertheless, Bowater started the recycle plant at East Millinocket and invested a lot of money in training the rest of the work force to embrace ISO and quality improvement.

If Bowater ever succeeded in realizing a steady profit from the Maine mills, I don't recall it. There were brief periods of respite, but by 1997 and 1998, I was aware that the company was losing money on the order of a million dollars a month. A break-even month then was cause for celebration.

Finally, Bowater, too, gave up. Once Inexcon had lined up its financing in late 1998, which included the sale of all but 439,000 acres of timberland to reduce debt, its buyout of Great Northern Paper from Bowater had left it with five operating paper machines and an off-machine coater, and \$22 million in real or pledged financing to proceed with capital improvements.

**Bowing out.** Still, as 1999 unfolded, we were losing money at the rate of a million dollars a month. I don't have sophisticated skills in finance, but I understood two things and I did the math: It cost \$6 million - \$7 million a week to run the company and we were coming up a quarter million short a week, so how many months before that \$22 million was eaten away and we wouldn't even make payroll? Oh, and after 20 years, uncoated paper was still selling for under \$500 a ton. Was it competition from Canadian mills that depressed the price? Mostly. Did the Canadians put GNP out of business? No. If it hadn't been for the strike, Indian land claims, ruinous tax law, workers' comp, the Big 'A', and the corporate hostility that resulted from all of these, Great Northern probably could have survived the rest, including competitors, and could - today - still be operating ten or so paper machines, a couple of them newer than Number 5 and Number 6 at East Millinocket.

During the year that the company should have been celebrating its 100th anniversary, (1998 or 1999, depending when you start counting), there was not even a mention of a centennial among the employees or in the press.

In most ways reluctantly but in some ways jubilantly, I left when another opportunity was offered me. It took a year longer than I guessed it would for the money to run out, due largely, I suspect, to the creative financing engaged in by Inexcon's new, high-profile leader, Lambert Bedard. And so, now, the once mighty Great Northern Paper Company has been rendered a mere toothpick to its original, full-bolt size and influence.

The owners of the existing Katahdin Paper are to be congratulated for their optimism and their investment in the future of the towns. Even though I was frustrated by the hundreds of grievances I handled and the exigencies of surviving without administrative funds and even though I worked for bosses in the 1990s who had no respect for the labor agreements that I had administered since before they worked there, I never met anyone I didn't genuinely like. If I butted heads with the president of the Machinist local, Jim Federico, in the daytime, I could go dig plum trees in his yard that evening to transplant to my own. Maybe that sense of community and the geographic isolation that kept strangers away accounts for the lack of violence during the 1978 strike. We were mad at each other, but we wouldn't kill over it.

If Katahdin were to become a ski resort like Loon Mountain, then perhaps one of the mills could serve as a shopping center like the one in Lincoln, New Hampshire. Otherwise, it remains for Massachusetts to reclaim The North Woods and set up some sort of propaganda center at the spot in the mill where my next-door neighbor, Tom Herring, used to be the number one man on the number one machine in the number one mill of the number one groundwood paper company in the world. And it's remarkable how humble Tom remained after I pointed that out to him one day.

It remains a fact that the towns where the mills still stand are still home to a high concentration of men and women who know how to make the best groundwood printing paper that ever there was. As the means were gradually taken away with which to do that, they kept trying. They didn't buy buzzwords or slogans or empty promises. They wanted to make paper when it was their turn to work and then be left to themselves to go to camp or go to their kids' basketball games. They were pretty sure the politicians would make things right, but the politicians understood neither what was killing the company nor their role in enabling the process.

Thirty years ago, folks in Millinocket and East Millinocket could boast that half of the people in America regularly held something in their hands printed on paper that had been produced in one of those two towns - a newspaper, a catalog, a school workbook, or a telephone book. While a skeleton crew is still making paper today, the once-proud stewards of the forest must accept the realization that their towns now serve, not as the envy of Maine industry, but merely as a remote gateway to its controversial wilderness.

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*Timber!* - a brief chronicle of GNP in the 1970s and 1980s by Paul K. McCann, provided corroboration of some of the facts cited here.